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the upper Midwest and the switching of acreage from soybeans to cotton along the Mississippi were the main reasons given for the 1.3 million acre reduction in estimated soybean planted acres.

FARM BILL WISH LISTS

The farm bill debate has definitely picked up pace as the temperatures have risen. Most of the major commodity and farm interest groups have presented their wish lists for the future farm bill to the U.S. House of Representatives. There are several components that are common across many of the lists: the continuation of Agricultural Market Transition Assistance (AMTA) payments, the addition of oilseeds to the AMTA payment list, the continuation of the marketing loan program (with some adjustments to crop loan rates), and the addition of a countercyclical program to the mix of farm programs. At least two of the proposals include higher acreage limits for the Conservation Reserve Program.

Significant differences also exist among the proposals. The National Farmers Union is proposing an elimination of AMTA payments; the rees-

tablishment of the Farmer-Owned Reserve, set-asides, and other commodity reserves; and the adoption of a "flex-fallow" type program where producers agree to increase set-asides in exchange for higher marketing loan rates. The National Corn Growers Association is suggesting that the marketing loan program be replaced with a countercyclical program. Different groups favor different types of countercyclical programs. Some are crop-specific, while others are not. The program design may be countercyclical to price or to revenue.

Congress still has much work to do on the next farm bill, but the budget framework is in place. The legislators have set aside nearly \$80 billion in additional funds for agriculture over the period 2001 to 2011. For the current year, they have allocated \$5.5 billion for producer assistance. At the time of this writing, the House of Representatives has approved the producer assistance but the Senate has not yet taken it up. The Senate is expected to move on the assistance package in July. A detailed accounting of the House version of the producer assistance package shows that \$4.6 billion of the total would be paid out as Market Loss Assistance (MLA) payments (otherwise known as supplemental

AMTA payments), \$424 million would go to assist oilseed producers, \$54 million would go to peanut producers, and \$129 million would go to tobacco growers. Wool and mohair producers would get \$17 million, cottonseed producers and handlers would get \$85 million, and specialty crop assistance would amount to \$169 million of the budget. In addition, the bill increases payment limitations on the combined amounts from marketing loan gains and loan deficiency payments to \$150,000 per person for the 2001 crop year.

The MLA payments have been in the news lately due to the recent USDA announcement that such payments are considered trade distorting under World Trade Organization (WTO) guidelines. This means that these payments could count against our WTO domestic support limits. Under the most recent WTO agriculture agreement, the United States agreed to limit spending on policies that are considered trade distorting to \$19.1 billion per year. The MLA payments would account for nearly 25 percent of this total. If the WTO spending limits become a constraint on farm policy, this designation of the MLA payments could have a profound effect on the shape of the future farm bill. ♦

Recent CARD Publications

WORKING PAPERS

- Jean-Christophe Bureau and Luca Salvatici. "Agricultural Trade Restrictiveness in the European Union and the United States." CARD Working Paper 01-WP 277, June 2001.
- Frank Fuller, John Beghin, Stephane De Cara, Jacinto Fabiosa, Cheng Fang, and Holger Matthey. "China's Accession to the WTO: What Is at Stake for Agricultural Markets?" CARD Working Paper 01-WP 276, June 2001.
- Laurian J. Unnevehr and Helen H. Jensen. "Industry Compliance Costs: What Would They

Look Like in a Risk-Based Integrated Food System?" CARD Working Paper 01-WP 278, June 2001.

GianCarlo Moschini. "Patents and Other Intellectual Property Rights." CARD Working Paper 01-WP 275, May 2001.

BRIEFING PAPERS

Bruce A. Babcock, John Beghin, Michael Duffy, Hongli Feng, Brent Hueth, Catherine L. Kling, Lyubov Kurkalova, Uwe Schneider, Silvia Secchi, Quinn Weninger, and Jinhua Zhao.

"Conservation Payments: Challenges in Design and Implementation." CARD Briefing Paper 01-BP 34, June 2001.

FAPRI Staff. "Impact of a 10 Percent Decrease in Planted Acreage of All U.S. Program Crops." CARD Briefing Paper 01-BP 33, May 2001.

Chad E. Hart and Bruce A. Babcock. "Implications of the WTO on the Redesign of U.S. Farm Policy." CARD Briefing Paper 01-BP 32, May 2001.